IN THE UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF PENNSYLVANIA

INTELLECTUAL VENTURES ILLC and) Civil Action No. 1:14-cv-00220-MRH
INTELLECTUAL VENTURES II LLC,)) FILING IN LEAD CASE
Plaintiffs,) FILING IN LEAD CASE
i idilitiis,) Time: 9:00 a.m.
V.) Date: April 14, 2015
) Place: Courtroom No. 6A
ERIE FAMILY LIFE INSURANCE COMPANY;)
ERIE INDEMNITY COMPANY;) The Honorable Mark R. Hornak
ERIE INSURANCE COMPANY;)
ERIE INSURANCE EXCHANGE;) ELECTRONICALLY FILED
ERIE INSURANCE PROPERTY & CASUALTY) JURY TRIAL DEMANDED
COMPANY; and	
FLAGSHIP CITY INSURANCE COMPANY,)
Defendants.))
INTELLECTUAL VENTURES I LLC and)
INTELLECTUAL VENTURES II LLC,	Civil Action No. 2:14-cy-01131-MRH
INTELLECTORE VENTORES II LEC,)
Plaintiffs,)
)
V.)
HIGHMARK INC.;)
HM INSURANCE GROUP, INC.;)
DIVILICE INSUKANCE CUNIPANY)
HM LIFE INSURANCE COMPANY; HIGHMARK CASUALTY INSURANCE))
HIGHMARK CASUALTY INSURANCE COMPANY; and)))
HIGHMARK CASUALTY INSURANCE))))
HIGHMARK CASUALTY INSURANCE COMPANY; and))))

Old Republic Defendants' Notice of Legal Development Regarding Patent-in-Suit No. 6,519,581

INTELLECTUAL VENTURES I LLC and INTELLECTUAL VENTURES II LLC,) Civil Action No. 2:14-cv-01130-MRH
Plaintiffs,)
v.)
OLD REPUBLIC GENERAL INSURANCE GROUP, INC.;)
OLD REPUBLIC INSURANCE COMPANY; OLD REPUBLIC TITLE)
INSURANCE GROUP, INC.; and)
OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY,))
Defendants.))

Old Republic Defendants' Notice of Legal Development Regarding <u>Patent-in-Suit No. 6,519,581</u>

At the oral argument on defendants' pending motions to dismiss, the Court asked the parties to submit a Notice when a post-hearing legal development occurred. U.S. Patent No. 6,519,581 ("581 patent"), which plaintiffs have asserted against all defendants, has been the subject of a new legal challenge. Old Republic submits this Notice to inform the Court of this development, but it doesn't affect the pending motions to dismiss under 35 U.S.C. § 101. We file this notice because the Court asked to be kept aware of new developments regarding the patents asserted against the defendants. The docket doesn't reflect plaintiffs' disclosure to this Court.

On July 2, 2015, International Business Machines Corp. ("IBM"), represented by Kirkland & Ellis, filed in The United States Patent and Trademark Office, Patent Trial and Appeal Board ("PTAB"), two *Petitions for Inter Partes Review under 35 U.S.C. §311 And*

¹ Case No. 2:14-cv-1130 ("14-1130 Case"), Dkt. 31; *see also* Case No. 1:14-cv-220, Dkt. 46-1 (co-defendants's motion).

37 C.F.R. §42.100 against Intellectual Ventures I LLC, a named plaintiff in this case. Petition Number IPR2015-01542, attached as Appendix 1, asserts that claims 1-10 and 20-38 are anticipated under 35 U.S.C. §§102(a), (b), and (e), and/or obvious under 35 U.S.C. §103. Petition Number IPR2015-01543, attached as Appendix 2, asserts that claims 11-19 and 39-47 are likewise anticipated under 35 U.S.C. §§102(a), (b), and (e), and/or obvious under 35 U.S.C. §103. With this filing, IBM has now filed with the PTAB *inter partes* review petitions challenging under §§ 102 and 103 the validity of all three patents asserted against Old Republic.

As explained in a prior Notice of Legal Development, an IPR petition can by law raise only certain kinds of anticipation (§102) and obviousness (§103) defects with a patent.² Accordingly, the validity issues that IBM's petitions raise are necessarily different from the §101 patent-eligibility issues before this Court.

By statute, the patent-owner of record, Intellectual Ventures I LLC, will have 90 days from the filing of the petition within which to file a preliminary response (which it can elect to waive); the Director of the United States Patent and Trademark Office will thereafter have 90 days to determine whether to institute proceedings.³

Dated: July 28, 2015 Respectfully submitted,

s/ Vernon M. Winters

Vernon M. Winters (*pro hac vice*) SIDLEY AUSTIN LLP 555 California Street, 20th Floor San Francisco, CA 94018

Tel.: (415) 772-7441

Email: vwinters@sidley.com

(counsel list continued on next page)

_

² Dkt. No. 105.

³ 35 U.S.C. §§ 313 (patent owner's response) & 314(b) (Director's response).

s/ Arthur H. Stroyd, Jr.

Arthur H. Stroyd, Jr.
PA ID No. 15910
Justin T. Romano
PA ID No. 307879
DEL SOLE CAVANAUGH STROYD LLC
The Waterfront Building 200 First Avenue,
Suite 300 Pittsburgh, PA 15222

Tel.: (412) 261-2393

Email: astroyd@dscslaw.com
Email: jromano@dscslaw.com

Counsel for Defendants, Old Republic General Insurance Group, et al.